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# Spotlight

## ON FOREIGN MARKETING



TO U.S. AGRICULTURAL ATTACHES AND FAS STAFF MEMBERS

December 22, 1959

EXHIBITS BOOST SOYBEAN SALES IN EUROPE. Agricultural and trade fair exhibits carried out by FAS are helping to promote U. S. soybeans and soybean products in Europe, according to a recent statement by Fred Marti, who is directing soybean promotional efforts for the Soybean Council of America from his Rome headquarters. "Exhibits cause people to write for information and how they can get these products," he said.

Marti gave credit to the Department and especially the office of the Rome office of the agricultural attache. Exhibits at agricultural fairs and nutrition conferences are showing livestock and poultry producers, as well as feed handlers, the value of soybean meal in mixed feeds.

As a result of the extensive promotion which has been carried out in Italy, of which fair exhibits are a part, more American companies have established brokers or agents in Italy and other European nations and are taking orders, Marti pointed out. Modern processing and feed mixing plants are being constructed by American firms in cooperation with Europeans. Now the U. S. farmer can be assured of the same high-quality product American farmers can get for their own livestock and poultry.

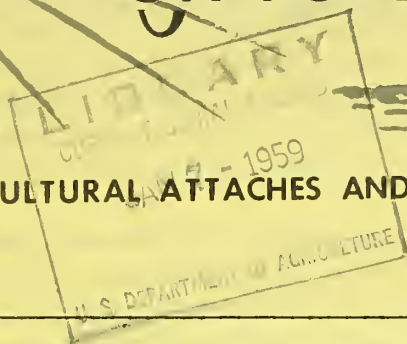
These efforts are paying off in increased sales. Soybean sales in 1959 in Italy are expected to total nearly 80,000 metric tons, against 23,000 tons in 1958. Sales of soybean meal may jump from 60,000 to 100,000 metric tons for the same period.

DROUGHT SPURS FEED GRAIN EXPORTS TO EUROPE. During the 1959-60 year seven drought-affected countries in Western Europe are expected to import nearly 15 million metric tons of feed grains, compared with 12.7 million in 1958-59. The U. S. share of this important export market was seven million tons during 1958-59, or about 55 percent. Shipments from the U. S. July 1 to November 30 were one million tons more than during the same period last year, or an increase of 47 percent.

The countries analyzed are: United Kingdom, The Netherlands, Belgium, France, West Germany, Denmark and Sweden.

The 7-country area is expected to need 770,000 metric tons more oilcake than last year, an increase of 14 percent. This could be provided by greater imports of oilcake and oilseeds, particularly soybeans. The seeds and cake combined may amount to as much as 1.3 million tons in feed grain equivalent.

SOYBEAN EXPORTS ARE UP 39% OVER LAST YEAR. There are many interesting factors behind the boom in soybeans and soybean products, enough so that a special supplement is being prepared for an early issue of Spotlight. Watch for it.



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BULK U. S. LIQUID LARD SHIPMENTS TO BRITAIN WELL RECEIVED. Last February the first shipment of bulk "liquid" lard was made to Great Britain. Since that time, with the added convenience of direct St. Lawrence Seaway (except during freezup) traffic from the source of supply in Chicago to Liverpool, Manchester and London, this method of transportation has become increasingly popular. A similar shipment was made 25 years ago, but apparently the system was not considered practical for commercial use.

U. S. lard sales to the U. K. during the first nine months of 1959 was 169 million pounds, up to 79 percent over corresponding months in 1958. Much of this increase is credited by the London attache's office to low prices which improved the competitive position of U. S. lard relative to other suppliers, but the development of bulk shipment technique undoubtedly was an important factor.

Although it is too early to furnish accurate cost statistics on the total amount of lard being imported in bulk-tank shipments, a safe estimate of savings in handling, transportation, container costs, etc., from Chicago to the packing plant in England is apparently slightly over one cent per pound as compared with conventional shipment in cardboard cartons containing 56 pounds of lard.

To make bulk handling possible the lard is liquified by heating to 125 degrees Fahrenheit. It is then pumped into tankers for shipment. Upon arrival at destination it is reliquified and pumped into tank trucks for transport to packing plant where it is packaged by automatic machinery into half pound packets for distribution to retail outlets.

ERADICATION OF VE BRIGHTENS EXPORT PROSPECTS OF U.S. PORK. The seven-year battle against vesicular exanthema (VE) in U. S. swine has been won, a recent USDA release points out. The eradication effort involved: (1) passage of laws forbidding the feeding of raw garbage to swine; (2) quarantines; (3) prompt disposal of infected and exposed swine; and (4) thorough disinfection of all contaminated facilities.

"Eradication of this disease," Secretary Benson said, "is a landmark in the continuing battle to protect American livestock from damaging diseases and pests. The United States is second to none in preserving the health of its farm animals."

Until recently, at least 10 countries have had embargoes on U. S. pork because of the incidence of VE. Among them were Canada, U. K., Colombia, Venezuela, Austria, Belgium, Sweden, Barbados, Jamaica and British Guiana. The lifting of these embargoes will brighten the prospect for export sales.

Attaches may wish to see that this information is supplied to trade groups interested in buying and distributing U. S. pork. More details are contained in USDA press release 2939-59, (Oct. 22).

A STRONGER POSITION FOR COTTON is resulting from the promotional efforts of the Cotton Council International in 11 European countries. Lee R. Paramore, Chief of the Foreign Marketing Branch of the Cotton Division, recently returned from the area with the feeling that the projects in force are living up to expectations. Local support from counterpart organizations is growing, and new ideas and techniques are being advanced as rapidly as possible.

TOBACCO PROMOTION IN FAR EASTERN COUNTRIES was reviewed recently by Hugh Kiger, Chief of Foreign Marketing Branch, Tobacco Division, and LeRoy Hodges, Jr., Tobacco Marketing Specialist. In Japan private trade is greatly increasing its share of market development financing. During the first half of 1960 the U. S. tobacco trade and the Japanese Tobacco Monopoly will contribute more than double the amount contributed by FAS. Total budget for the period will be roughly \$135,000.

Sales of "Peace," a Japanese brand containing 40% U. S. leaf, continues to skyrocket. Sales are now over 11 billion cigarettes per year. In 1956, at the beginning of the promotion program, sales were about 50% less.

Activities in Thailand were equally encouraging. This country is an excellent dollar market for U. S. tobacco, taking an average of 10 million pounds a year, or half the total annual consumption of tobacco.

The advertising campaign for "Gold City," a brand containing nearly 100% U. S. leaf, has put this brand in third position in sales since the campaign was started in October 1957.

A new tobacco testing laboratory has been completed in Bangkok. The technicians, for the most part, have been trained in the U. S. under various market development projects.

Thais are keeping up with latest smoking innovations in the U. S. The latest trend is filter tip menthol cigarettes. The great popularity of one U. S. brand containing menthol has prompted the Thai monopoly to produce a comparable cigarette using high grade U. S. leaf.

The next Spotlight will summarize tobacco market promotional activities in the Middle East.

HIGHLIGHTS FROM ATHENS ATTACHE CONFERENCE. 1. Market research deserves more emphasis in providing a basis for an expanding 104(a) market promotion program.

2. The growing complexity of market promotion programs calls for an increasing variety of talents. This was clearly illustrated at the 2-day round-table on market promotion tools and techniques.

3. As market promotion programs grow in number and complexity, attaches cannot continue to spend as much time on each project as they did in the past. This means that in the future the trade will have to assume an increased portion of the total job.

4. Now that there has been an improvement in lifting trade barriers against U. S. agricultural commodities in several Western European countries, and the U. S. has an unfavorable balance-of-payments, we have the best opportunity to promote markets that we've had in years.

5. Trade fair exhibits, to be fully effective, should have the cooperation of foreign as well as of U. S. trade groups.

"WORLD AGRICULTURAL SITUATION 1960," just off the press, states that agricultural production will lag behind consumption in the Far East, and possibly Latin America during the next decade. If means of exchange are available, there will be a growing opportunity for expanding the flow of agricultural trade from North America to those two areas in the years ahead. Copies have been sent to attaches; other readers may obtain individual copies through the FAS Information Division.



CCC MONTHLY SALES FOR DECEMBER 1959: Cheddar cheese, cotton (upland and extra long staple), peanuts, wheat, rice (rough and milled), corn, oats, barley, rye, grain sorghums, soybeans, linseed oil, gum rosin, and tung oil.

Linseed oil is an addition to the list for December. Nonfat dry milk has been dropped from the list of commodities available for sale because all stocks have been sold or committed. Interest rates per annum under the CCC Export Credit Sales program are down  $1/4$  of 1 percent from November.

All commodities currently offered for sale by CCC, plus tobacco from CCC loan stocks are eligible for export sale under the CCC Export Credit Sales Program. The following commodities are currently eligible for barter: Cotton, tobacco, rice (milled), wheat, corn, barley, and sorghum grain. This list is subject to change from time to time.

Interest rates per annum under the CCC Export Credit Sales program for December 1959 are  $5-1/8$  percent for periods up to six months,  $5-5/8$  percent for periods from over six and up to 18 months, and  $6-1/8$  percent for periods from over 18 months up to a maximum of 36 months.

THE COTTON MARKET IS GROWING IN JAPAN. There is evidence that the efforts of the promotions conducted by the Japan Cotton Promotion Institute and the Cotton Council International are being favorably received by the Japanese public. In the first two years of the program, beginning in 1956, the urban consumption of cotton increased about 10%; clothing consumption rose by almost 18%. Total domestic consumption of cotton goods went up as much as 20% in the same period.

A revealing endorsement of the promotional efforts is the way the program has restored confidence and a competitive spirit in the cotton industry itself. Promotion by Japan's big 10 cotton spinners, for example, has more than doubled since the Institute's program began. Their investment in advertising and promotion is now seven times the annual level of the JCPI program.

U. S. PREPARING HISTORICAL PROMOTION -- The National Cotton Council of America is reproducing 15 garments from the Vienna Pageant, "5,000 Years with Cotton," for a nationwide promotion in 1960. The historical garments will be the first half of a fashion show to be sponsored in major cities by a top department store. The second half will be modern cottons from the store's own stocks. A Council stylist will travel with the wardrobe to assist in staging. Cooperating stores will pay costs of staging, provide a comentator for the modern fashions, run an agreed minimum of advertising, provide an agreed minimum of window and interior displays and handle local publicity. The Council will, in addition to costumes and stylist, provide loan prints of the Vienna movie, a suggested program, photos and sketches of the costumes, loan of mounted enlargements of the costumes, a complete publicity kit, suggested ad copy and layouts and guides for extending the promotion. Council is also preparing a booklet on cotton's apparel history for sales training. Council-developed materials will be available outside the U. S. First response from U. S. stores has been enthusiastic.